

*Income Tax Act*

gather technically there is quite a difference. If we accept it as the minister says it is, then it can only be a straight donation recorded by a cheque. It seems to me we are making a major change in the electoral act.

**Mr. Macdonald (Rosedale):** I think it is fair to observe that to a substantial degree the election expenses regime contains a recognition of the difference between services and money contributions, whether they be by cash or cheque. There are a number of exceptions to this general statement I will make, but in general terms when people work on behalf of a candidate in an election campaign that kind of contribution of individual effort is not the subject matter of restraint or restriction. What is involved here rather is an attempt to get out of the area of uncertainty the Chief Electoral Officer has in respect of claims of tax deduction for service.

As I mentioned earlier, the amendment here is one that was drafted to reflect the consensus of all the parties represented in the House. On April 14 members from all four parties in the House met with representatives of the Chief Electoral Officer and representatives of Revenue Canada concerning the payment consequences of the election expenses bill.

● (2040)

I do not pretend to be an expert on the Elections Expenses Act, not yet any way, but as I understand it, his colleagues along with mine and those from other parties were represented at the meeting and this was agreed as being a fair change in the way in which election contributions will be treated for tax purposes. This does not impair the ability to make services available under the Elections Expenses Act.

**Mr. Peters:** Madam Chairman, the minister has just uttered the magic words which will get my support, that my party and their representatives along with representatives of other parties have decided this. Looking at the act, I will be damned if I can agree with many things they did which they have not been able to explain. This is total confusion, but I sincerely hope the minister is not trying to overcome another problem with which I am familiar by making this change. I am not referring to those expenses to which the minister referred but rather to the expenses incurred by people who supply goods and services, such as conference rooms, printing facilities, or whatever it may be. They should be considered as legitimate expenditures in the calculation of the over-all election expenses, and there is a price for them before even the transaction is made. It will have to be made in the form of a bill, someone will get a cheque, and the cheque will be donated. It seems to me that this is not the way to solve the problem which the minister had in mind and which affects another matter altogether. I hope this is not really the result of it.

I am certainly expressing an opinion on behalf of no one but myself, but it seems to me that most of us have had difficulty in understanding the legal jargon in the elections expenses legislation. I think it has been fair and reasonable and I would not like to get it to the point where cheques are exchanged for the sake of having a legitimate contribution recorded.

[Mr. Peters.]

**Mr. Macdonald (Rosedale):** The hon. member really speaks for me as well in his expression of concern about the complexity of the elections expenses mechanism and I cannot make any further or very detailed comments about that. What we are really considering here is to have the tax benefit contribution made in the form of money, using the word in the broader sense to mean either cash or a cheque.

**Mr. Jones:** Madam Chairman, in all fairness I wonder if the minister and his department will be prepared to give further consideration to the Income Tax Act and corresponding statutes in view of the fact that the Canada Elections Act does provide for the election of independents to this House. As the statutes are presently prepared and enacted they are discriminatory, inequitable, and unfair to those who find themselves in the position of independents or are not affiliated with any political party. Because of this the legislation should be extended in some way to organizations of independent members of parliament. Now it extends to them only during an election campaign. I think this is most unfair and inequitable, and it is something of which this House should be darned ashamed.

**Mr. Macdonald (Rosedale):** I was looking to see whether the President of the Privy Council was with us this evening and I find he is not. However, I will be prepared to make the hon. member's representation to him that, as a candidate like any other candidate he has certain benefits at election time but that his basic point is that between elections he does not have the same basis of recognition. It seems to me that that is a valid question for the minister and for representatives of other parties to consider in this context.

[Translation]

**Mr. Gauthier (Roberval):** Madam Chairman, we were anxious to read the amendments brought in. We thought that this would really shed some light on the act but I realize that the more amendments we have, the more obscure the act is.

It is true. There was a problem. But I think the previous act was much clearer than the amendments we are voting this evening, because the problem had to do mainly with receipts. According to this legislation receipts for services will not be accepted any more. It will be necessary to produce cheques or even banknotes I think. I do not know if I understand well correctly but if an individual, an ordinary worker who does not even have a bank account gives us \$20, we will not be able to accept his gift. How are we going to register his \$20 with the cheque system? It is easy for a major party which sponsors banquets at \$200 a plate to "play" with cheques but it is not so easy for a minor party which has to rely on \$5, \$10 and \$20 notes. The trouble with cheques is that in order to write out a cheque, one must have a bank account, and if one has not, what happens then?

From what I can see, even a \$100 bank note is not accepted.

You have to give a cheque.

The act should be made clear. We have trouble understanding the act, and the chief electoral officer says: "There is a discrepancy between the Election Expenses Act and the Income Tax Act. He is the one who says that. We